

**Meeting of the
Board of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia**

April 11, 2006

DRAFT Minutes

Present:

Phyllis L. Cothran
Rose C. Chu
Terone B. Green
Patsy Ann Hobson
Kay C. Horney
Barbara H. Klear
Manikoth G. Kurup, M.D. (Chair)
David Sylvester
Robert D. Voogt, Ph.D.
Michael Walker

Absent:

Monroe E. Harris, Jr., D.M.D.

DMAS Staff:

Tyris Blathers, Admin. Office Specialist III
Scott Crawford, Acting Deputy Director of Finance and
Administration
Michael Jay, Director of Budget & Contract Management
Craig Markva, Manager, Office of Communications &
Legislative Affairs
Cheryl J. Roberts, Deputy Director of Operations

Speakers:

Patrick W. Finnerty, Director
Terry Smith, Director of Long Term Care & Quality Assurance

Guests:

Marilyn B. Tavenner, Secretary of Health & Human Resources
Eight other guests signed in.

Call to Order

Dr. Manikoth G. Kurup, Chairman of the Board, called the meeting to order at 10:00 a.m. after a quorum was met. Dr. Kurup introduced the new Secretary of Health and Human Resources, Secretary Tavenner, and then mentioned that Mr. David Sylvester had been appointed to the Board to replace Mr. Chopra since Mr. Chopra was appointed as Secretary Technology. He asked Ms. Patsy Ann Hobson and Mr. David Sylvester to introduce themselves. He then asked the audience to introduce themselves.

Election of Chairman/Vice Chairman

Mr. Finnerty noted that the Board bylaws require the election of officers for the Board the first meeting after March 1st of each year. He presided over the election of the Board Officers. Mr. Finnerty noted the current officers were: Dr. Kurup and Dr. Voogt. He opened the floor to accept nominations for Chairman. Ms. Chu nominated Dr. Kurup; Mr. Green seconded. Hearing no other nominations; Ms. Horney asked that the nominations be closed. Mr. Finnerty closed the floor for additional nominees. The vote to elect Dr. Kurup as Chairman was **9-yes (Cothran, Chu, Green, Hobson, Horney, Klear, Sylvester, Voogt, and Walker); 0-no.**

Mr. Finnerty opened the floor to accept nominations for Vice Chairman. Ms. Chu nominated Dr. Robert Voogt; Mr. Green seconded. Hearing no other nominations; Mr. Sylvester asked that the nominations be closed. Mr. Finnerty closed the floor for additional nominees. The vote to elect Dr. Voogt as Vice Chairman was **9-yes (Cothran, Chu, Green, Hobson, Horney, Klear, Kurup, Sylvester, and Walker); 0-no.**

Approval of Minutes from December 13, 2005 Meeting

Dr. Kurup asked that the Board review and make a motion to approve the Minutes from the December 13, 2005, meeting. It was unclear as to who made the motion to accept the Minutes and several people seconded. The vote was **10-yes (Cothran, Chu, Green, Hobson, Horney, Klear, Kurup, Sylvester, Voogt, and Walker); 0-no.**

2006 GENERAL ASSEMBLY UPDATE: BUDGET AND LEGISLATION

Mr. Finnerty stated that the budget has not been finalized but the introduced budget includes substantial increases in funding for the Department of Medical Assistance Services (DMAS). He went over the Medicaid utilization and inflation rates, the 2005 Medicaid forecast, and the forecast drivers, such as: enrollment, hospital rebasing/indigent care costs, and Medicare Part B premiums. He gave a brief overview of the key legislation affecting DMAS during the 2006 General Assembly Session, specifically some Medicaid Reform bills which passed. Also reviewed were the bills that: allow small groups to form purchasing cooperatives for the purpose of obtaining more affordable health insurance for their employees; and requiring all Family Access to Medical Insurance Security (FAMIS) enrollees be enrolled in managed care organizations (MCOs).

MEDICARE PART D & FEDERAL MEDICAID REFORM

Mr. Finnerty explained the significant problems nationwide at the start-up of Medicare Part D, and how a number of states, including Virginia, took action and provided payment for Part D drugs. DMAS staff diligently worked on the process long before implementation, and continued to work with providers and recipients during the enrollment process. Mr. Finnerty noted that Ms. Becky Snead, Virginia Pharmacists Association, was very helpful during this process and that Virginia fared very well in comparison to other states.

Mr. Finnerty explained that Medicaid Reform has been debated nationally and locally, and noted the key players and issues. The Federal Deficit Reduction Act of 2005 (DRA) includes several mandatory Medicaid reforms including: (i) various changes to how states pay for prescription drugs; (ii) asset transfer provisions related to eligibility for long-term care services; (iii) limitations on the services that can be covered under targeted case management; (iv) verification of citizenship documentation prior to Medicaid enrollment; and (v) responsible parties such as insurers being required to provide certain information to facilitate third party liability recoveries. In addition, there are several “optional” Medicaid reforms that states can elect to implement. The most significant “optional” reform provisions are those involving changes in benefit design and increased co-payments.

Mr. Finnerty thanked Ms. Barbara H. Klear for providing a “Special Report on Medicaid” by the Pew Center on the States which was included in the Board members’ books.

VIRGINIA MEDICAID REFORM

Mr. Finnerty noted that House Bill 758, which was passed by the 2006 Session of the General Assembly, establishes a “Medicaid Revitalization Committee” to consider various changes to the design and structure of the Medicaid program. Mr. Finnerty stated that one important way to respond to Board Members’ interest in being more involved in policy development would be to participate in the Medicaid Revitalization Committee. The Committee shall consist of no less than eight and no more than 15, members, and shall include representatives from the affected state agencies, stakeholder and advocacy groups, and providers that serve Medicaid enrollees. By December 1, 2006, recommendations developed by this Committee must be submitted by the DMAS Director to the House Committees on Appropriations and Health, Welfare, and Institutions; and the Senate Committees on Education and Health, and Finance and include estimates of the costs and cost savings for implementation of the waiver or amendments to the State Plan.

The Board agreed that it should be represented on the Committee. Dr. Kurup indicated that members should contact him if they have an interest in being the Board’s representative. He then will select a member to serve on the Committee.

INTEGRATION OF ACUTE AND LONG TERM CARE SERVICES

Ms. Terry Smith, Director of Long Term Care & Quality Assurance, gave an overview of the Medicaid enrollment and expenditure trends since 1995 showing the largest covered group (children) is actually the smallest expenditure. She noted the seven different Medicaid waivers which provided long term care services for different groups of people. To be eligible for Medicaid-funded long-term care services individuals must: qualify for Medicaid, and meet specified long-term care criteria according to a standardized long-term care assessment instrument. Medicaid plays an essential role as the primary funding source for long term care.

Ms. Smith noted that Governor Kaine addressed the General Assembly and stressed the need to better manage long term care services. He directed DMAS to develop a plan which will serve as a blueprint for moving toward an integrated acute and long-term care delivery system for the elderly and disabled recipients. The Plan will be developed over the next year with the input of all major stakeholders. Representation from the Board was requested.

Concurrent with the development of the long-range plan, DMAS will be moving forward with two new models of care. The first model, the Community Model, will include a new Program of All-inclusive Care for the Elderly (PACE) in eight sites across the Commonwealth. The second model, the Regional Model, expands existing managed care plans to include both acute and long term care services across the state. The recipients will receive several benefits from these

models, including: delaying institutionalization; receiving the services a care coordinator; utilizing a mix of services; and obtaining support services to avoid hospital admission.

As with the Medicaid Revitalization Committee, Dr. Kurup indicated that members interested in participating in the development of the “blueprint” should let him know, and that he will select a representative.

BYLAWS

At the last meeting of the Board, Mr. Green recommended that the Bylaws be amended to remove the subcommittees that do not meet, and to include language that more appropriately reflects the Board’s interest in being involved in agency committees, workgroups, etc. Mr. Finnerty reviewed the proposed amendment language that was drafted. The Board asked that the most recent memorandum from the Office of the Attorney General (OAG) regarding the powers and duties of the Board be referenced in the bylaws and attached as an appendix. The Members were in agreement with the proposed language, but asked that the OAG review the proposed amendments prior to the next meeting. (In accordance with the Bylaws, the Board will vote on the revised language at its next meeting.)

CENTERS OF EXCELLENCE PROGRAM: BARIATRIC SURGERY

Mr. Finnerty gave a brief overview on the Bariatric Surgery Centers of Excellence Program. Bariatric surgery is becoming a more frequent treatment for “morbidly obese” individuals. The Centers for Medicare and Medicaid Services (CMS) recently announced it would cover bariatric or gastric bypass surgery for Medicare beneficiaries, but only if the surgery is performed in a Center of Excellence. This approach has proven to improve outcomes in other types of surgery such as heart surgery and transplants. Dr. Kurup noted that there were only three centers in Virginia that are fully certified; two are Richmond (St. Mary’s and MCV) and one is in Tidewater. There are several other centers with “provisional” status.

DMAS is researching the possibility of adopting a Centers of Excellence approach to coverage of bariatric procedures for the fee-for-service Medicaid population. DMAS will keep the Board apprised of its progress on this project.

OLD BUSINESS

Regulatory Activity Summary

The Regulatory Activity Summary is included in the Members’ books to review at their convenience.

New Business

Mr. Finnerty mentioned that Ethics training was previously provided to the Board called “Conflict of Interest” training. It is a state requirement that this training occur every two years. DMAS staff will arrange for this training to be provided at the next Board meeting.

The Board agreed to write a letter to the Governor thanking him for the reappointment of Director Patrick Finnerty, and Chief Deputy Director Cindi Jones. The appointments provide continuity in DMAS leadership.

Adjournment

Dr. Kurup thanked everyone and adjourned the meeting.